Global energy management interest reaches all-time high

Johnson Controls survey finds energy savings and incentives drive investment decisions

MILWAUKEE – (June 14, 2012) – Eighty-five percent of building owners and operators globally depend on energy management to drive operational efficiency, according to a survey released today by Johnson Controls, global leader in delivering solutions that increase energy efficiency in buildings. This represents a 34-point increase in the last two years. Energy cost savings and financial incentives are leading this shift, but more than half say they are also looking to improve their public image and increase the value of their buildings. The 2012 Johnson Controls Energy Efficiency Indicator, a global survey of 3,500 building owners and operators, was released today at the 23rd Annual North American Energy Efficiency Forum in Washington D.C.

“Building owners are investing in energy efficiency because they recognize the financial payback,” said Dave Myers, president of Johnson Controls, Building Efficiency. “This year’s survey demonstrates there’s a change underway. The mantra for commercial real estate owners used to be location, location, location – now it’s becoming location, efficiency, location.”

According to the survey, nearly a third of respondents indicated tax credits, incentives and rebates have the greatest impact on increasing investment in energy efficiency. This finding underscores the role of government policy in the decision making of building owners and operators. That figure jumps to 42 percent in the U.S., where building owners and operators need to address aging and inefficient buildings.

"Nearly 75 percent of commercial buildings in the United States are more than 20 years old and are ready for energy improvements. Building owners and operators are looking to lawmakers to bring down the cost of energy retrofits through incentives and rebates,” said Myers. “In Asia, building codes and equipment standards also are helping ensure new buildings are constructed to high performance levels.”

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Developing countries are setting the pace with respect to investment with the highest number of respondents – 81 percent in China and 74 percent in India – planning to increase investments in energy efficiency or renewable energy. Globally, 40 percent of energy is consumed by buildings, according to the World Resources Institute.

Ninety-six percent of respondents have implemented at least one building efficiency improvement, led by lighting, heating and air conditioning equipment and controls, and water efficiency. Half of the private sector respondents use the cost savings from energy efficiency upgrades to reduce the company’s overall budget while 40 percent reinvest in further energy efficiency measures.

Green building certifications, or voluntary rating systems, are on the rise with 44 percent planning to certify existing buildings, up from 35 percent the year before. Further, 43 percent plan to certify new construction projects.

“Tenants are willing to pay more to locate their offices in energy efficient buildings,” said Myers. The survey found nearly a quarter of those who responded are willing to pay a premium for space in a certified green building.

Anthony Malkin, owner of the Empire State Building, confirmed the survey’s findings during his remarks at the Energy Efficiency Forum.

“The Empire State Building’s energy efficiency retrofit program has given us a proven model that shows building owners and operators how to integrate energy efficiency into building upgrades, cut costs, and improve the value of their buildings while offering a better environment and occupancy savings for tenants and better profits for the building owner,” said Malkin. One year after an innovative building retrofit project, the Empire State Building has exceeded its first year energy savings guarantee and is on its way to reducing energy costs by 38 percent, saving $4.4 million annually.

Around the globe, building owners and operators are measuring and analyzing energy-use data at record rates. Weekly tracking increased 30 percent over last year. Each week, 20 percent of all respondents are reviewing and analyzing energy management data.

The sixth annual survey of nearly 3,500 building owners and operators around the world was led by the Johnson Controls’ Institute for Building Efficiency, the International Facility Management Association and the Urban Land Institute.

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Johnson Controls is a global diversified technology and industrial leader serving customers in more than 150 countries. Our 162,000 employees create quality products, services and solutions to optimize energy and operational efficiencies of buildings; lead-acid automotive batteries and advanced batteries for hybrid and electric vehicles; and interior systems for automobiles. Our commitment to sustainability dates back to our roots in 1885, with the invention of the first electric room thermostat. Through our growth strategies and by increasing market share we are committed to delivering value to shareholders and making our customers successful. In 2012, Corporate Responsibility Magazine recognized Johnson Controls as the #5 company in its annual "100 Best Corporate Citizens" list. For additional information, please visit [http://www.johnsoncontrols.com](http://www.johnsoncontrols.com).

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